



NEWS RELEASE

PRESS OFFICE

Release Date: March 8, 1999

Release No. 99-15

Contact: Patricia L. Young (202) 205-6740

SBA News Releases: www.sba.gov/news/

SBA ANNOUNCES RESEARCH RESULTS ON WOMEN BUSINESS OWNERS AND INTERNATIONAL TRADE

WASHINGTON – Administrator Aida Alvarez of the U.S. Small Business Administration (SBA), today announced the results of new SBA research on American women business owners and international trade.

“The message is clear: ‘Exports Equal Earnings.’ There are profits to be made in the global marketplace,” said Administrator Alvarez. **“And more and more women are making international trade a part of their portfolios. International trade offers wonderful opportunities for women-owned businesses and should be an essential part of any company's growth strategy.”**

Of the firms responding, the SBA study found that almost 50 percent of the American women business owners who export chose Canada as one of the first countries to which they exported. The study also shows that exporting is profitable and is associated with growing and successful women-owned firms. More than 50 percent of the firms have annual sales of over \$1 million and almost 15 percent have annual sales of over \$5 million.

“When we asked women exporters what they considered the most important ingredient for success, their number one answer was ‘contacts’,” Administrator Alvarez said. **“That’s why I’m excited about the first Canada-USA Businesswomen's Trade Summit, which takes place in Toronto on May 17-21. Through this trade summit, women small business owners can explore all their options, work directly with Canadian women-owned businesses and agencies, and establish those contacts that are crucial to their success.”**

The Administrator also pointed out that SBA is making a strategic commitment to helping small businesses “go global,” and get into the international trade arena.

“As we look toward the 21st century, it’s clear that the globalization of markets is a major challenge for small firms. We want to ensure that it’s an opportunity as well,” she said.

Additional findings include:

- Thirty-three percent of the women who responded said they exported in their first or second year of operation.
- The majority of the firms exported for the first time after their second year of operation.
- Almost 50 percent reported that exporting was profitable on their very first transaction.

-more-

- Exporting is seen as a means of increasing the overall sales by over 42 percent of the firms.
- Almost 80 percent of firms reported that sales have increased in the past two fiscal years.
- Almost 90 percent of the firms saw an increase in their number of employees.
- Forty-six percent have staff dedicated to managing their export business.
- More than half of the firms rely on their direct business partners for export advice rather than outside sources, such as consultants.
- Sixty-eight percent of the businesses rely on internal sources of capital to fund export transactions, such as retained earnings, personal sources and credit cards.
- When considering public and private resources for assistance in exporting, 25 percent of the firms used SBA resources.
- Lack of connections was cited most frequently as one of the main obstacles to exporting, while having good contacts was most frequently cited as a major factor for successful exporters.

The business owners were drawn from a Dun & Bradstreet list of women-owned exporting firms in the U.S. More than 160 firms shared insights into their export operations.

Canadian Minister of International Trade Sergio Marchi, also announced the findings from a similar study of the export experience and operations of Canadian women entrepreneurs.

Ms. Alvarez made the announcement via satellite from Mexico City, Mexico where she is leading a trade and investment mission with 29 American small businesses. As part of the U.S. and Canadian celebration of International Women's Day across North America, the event entitled, "Women in the Global Economy: Agenda for Success," linked women business owners from more than 14 cities in the U.S. and Canada.

For a copy of the study, visit the SBA Office of International Trade's web site at www.sba.gov/oit or the Office of Women's Business Ownership web site at www.sba.gov/womeninbusiness.

-0-

The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.

#